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BEFORE THE ARIZONA CORPORATION COMMISSION

25HC

COMMISSIONERS

2004 JUN -7 P 2:39

MARC SPITZER, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON  
KRISTIN K. MAYES

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03523A-03-0000

INTERNATIONAL GLOBAL POSITIONING,  
INC., a Nevada corporation  
720 Brazos Street, Ste. 500  
Austin, TX 78701

JOHN J. MADSEN  
11801 W Hwy. 71  
Austin, TX 78738

MICHAEL J. COKER  
11801 W Hwy. 71  
Austin, TX 78738

JAMES W. DREOS, individually and dba  
DREOS FINANCIAL SERVICES, and JANE DOE  
DREOS, husband and wife  
10201 E. North Ranch Gate Road  
Scottsdale, AZ 85255  
CRD# 802681

EDMOND L. LONERGAN and JANE DOE  
LONERGAN, husband and wife  
16126 East Powderhorn Drive  
Fountain Hills, AZ 85268

CORPORATE ARCHITECTS, INC., a Nevada  
corporation  
8360 East Via de Ventura, Ste. L200  
Scottsdale, AZ 85258

Respondents.

Arizona Corporation Commission

**DOCKETED**

JUN - 7 2004

DOCKETED BY

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**EIGHTH**  
**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On November 18, 2003, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Case, and Desist, for Restitution, for Administrative Penalties, of Revocation and/or Suspension and for Other Affirmative Action ("Notice") against International Global Positioning, Inc. ("IGP"), John

1 J. Madsen, Michael J. Coker, James W. Dreos, individually and dba Dreos Financial Services  
2 ("DFS") and Jane Doe Dreos, Edmond L. Lonergan and Jane Doe Lonergan and Corporate  
3 Architects, Inc. ("CAI") (collectively "Respondents") in which the Division alleged multiple  
4 violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in  
5 the form of stock.

6 Respondents were duly served with copies of the Notice.

7 On December 2, 2003, Respondents James and Esther Dreos filed a request for hearing.

8 On December 4, 2003, Respondents Lonergan and CAI filed a request for hearing.

9 On December 5, 2003, Respondents IGP, Madsen and Coker filed a request for hearing.

10 On December 18, 2003, by Procedural Order, a pre-hearing conference was scheduled on  
11 January 15, 2004.

12 On December 22, 2003, IGP, Madsen and Coker, by counsel, filed what was captioned  
13 "Motion to Extend Time to File Amended Answer and Preliminary Answer ("IGP Motion") to  
14 January 5, 2004.

15 On December 23, 2003, IGP, Mr. Madsen and Mr. Coker, by counsel, filed an amendment to  
16 the IGP Motion and requested until January 12, 2004 to file the amended Answer.

17 On December 29, 2003, the Division filed its Response to the IGP Motion and indicated that  
18 it did not object to the request for an extension. Lonergan also filed an amended request for hearing  
19 signed by Mrs. Lonergan.

20 On December 30, 2003, by Procedural Order, IGP's Motion was granted and Respondents  
21 IGP, Madsen and Coker were granted until January 12, 2004 to file an amended Answer.

22 On January 12, 2004, IGP, Madsen and Coker filed their amended Answer.

23 On January 15, 2004, at the pre-hearing conference, the Division, IGP, Madsen, Coker and  
24 Dreos appeared through counsel. Respondents Lonergan and CAI did not appear. The parties have  
25 been in discussions to resolve the allegations raised in the Notice and agreed that another pre-hearing  
26 conference should be scheduled on March 4, 2004 to review the status of the proceeding.

27 On January 15, 2004, Respondents IGP, Madsen and Coker filed what was captioned "Motion  
28 to Sever Proceedings" ("Motion to Sever") from the proceedings against Respondents Dreos,

1 Lonergan and CAI.

2 On January 16, 2004, by Procedural Order, a pre-hearing conference was scheduled for March  
3 4, 2004.

4 On January 20, 2004, the Division filed a response to the Motion to Sever arguing that it  
5 should be denied because it would result in delays, expense, prejudice and harm to investors.

6 On January 27, 2004, Respondent James Dreos filed a response objecting to the Motion to  
7 Sever. His objection pointed out that the Motion to Sever was not supported by any sworn statements  
8 in support of the Motion to Sever.

9 On February 6, 2004, by Procedural Order, the Motion to Sever was denied.

10 On February 26, 2004, the Division filed a Joint Request to Continue ("Joint Request") the  
11 pre-hearing conference scheduled for March 4, 2004 to March 8, 2004. The Division indicated the  
12 reason for the Joint Request was due to a scheduling conflict and that all parties have agreed to the  
13 continuance.

14 On March 8, 2004, at the pre-hearing conference, the Division, IGP, Mr. Madsen, Mr. Coker  
15 and Mr. Dreos appeared with counsel. Mr. Lonergan appeared on his own behalf. Mr. Ron Kent  
16 Hooper submitted a Motion to Withdraw as counsel for IGP, Mr. Madsen and Mr. Coker which had  
17 been filed with Docket Control. Attached to Mr. Hooper's Motion to Withdraw was a Stipulation for  
18 Substitution of Counsel signed by Mr. Harry N. Stone as substitute counsel and consented to by IGP,  
19 Mr. Madsen and Mr. Coker. Counsel for the Division indicated that the Division is negotiating with  
20 various Respondents possible forms of Consent Orders to be submitted to the Commission for  
21 approval at its Securities Division Open Meeting in April. The Division will file a motion for a  
22 hearing to be scheduled with respect to any remaining Respondents in the proceeding whose status is  
23 not resolved by Consent Order.

24 On March 9, 2004, by Procedural Order, Mr. Hooper's Motion to Withdraw was granted and  
25 the Division was ordered to request a hearing be scheduled for any remaining Respondents whose  
26 case is not resolved by a Consent Order approved by the Commission.

27 On March 29, 2004, Mr. Harry N. Stone filed a Motion to Withdraw as counsel for IGP, Mr.  
28 Madsen and Mr. Coker. Mr. Stone stated that a conflict had arisen with his clients causing him to

1 request permission to withdraw from the proceeding. Attached to Mr. Stone's Motion to Withdraw  
2 as an exhibit was a consent to his withdrawal signed by Mr. Madsen and Mr. Coker, individually, and  
3 also signed by Mr. Coker as IGP's president.

4 On March 30, 2004, the Division filed a Motion to Set Hearing and requested that the hearing  
5 be set on June 7, 2004.

6 On April 13, 2004, by Procedural Order, the proceeding was scheduled for hearing on June 7,  
7 2004.

8 On June 7, 2004, the Division filed a Motion to Continue the proceeding for 30 days pending  
9 Commission approval of Consent Orders at its next Securities Open Meeting on June 24, 2004 for the  
10 remaining Respondents in the proceeding.

11 Accordingly, the Motion to Continue the proceeding should be granted and the hearing  
12 continued.

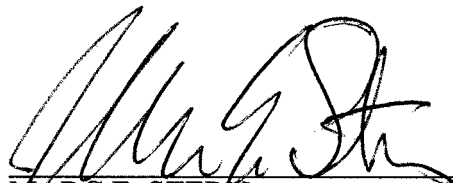
13 IT IS THEREFORE ORDERED that the Motion to Continue by the Division is hereby  
14 granted.

15 IT IS FURTHER ORDERED that the hearing shall be continued from June 7, 2004, to **July**  
16 **19, 2004 at 9:30 a.m.** at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

17 IT IS FURTHER ORDERED that the parties shall also set aside July 20 and 21, 2004 for  
18 additional days of hearing, if necessary.

19 IT IS FURTHER ORDERED that the parties shall file their exhibits and copies of their  
20 witness lists by July 6, 2004, if not previously filed, with courtesy copies provided to the presiding  
21 Administrative Law Judge.

22 DATED this 7<sup>TH</sup> day of June, 2004

  
MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

23  
24  
25  
26 Copies of the foregoing were mailed/delivered  
this 7 day of June, 2004 to:


27 John J. Madsen  
28 720 Brazos Street, #500  
Austin, TX 78701

1 Michael J. Coker  
2 720 Brazos Street, #500  
3 Austin, TX 78701

4 International Global Positioning, Inc.  
5 720 Brazos Street, #500  
6 Austin, TX 78701

7 Matt Neubert, Director  
8 Securities Division  
9 ARIZONA CORPORATION COMMISSION  
10 1300 West Washington Street  
11 Phoenix, AZ 85007

12 ARIZONA REPORTING SERVICE  
13 2627 N. Third Street, Ste. Three  
14 Phoenix, AZ 85004-1003

15 By:   
16 Molly Johnson  
17 Secretary to Marc E. Stern  
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